

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE PRODUCTION COMPANY)	DIVISION OF
)	GAS AND OIL
RELIEF SOUGHT: EXCEPTION TO STATEWIDE)	DOCKET NO.
SPACING LIMITATIONS)	01-0717-0905
PRESCRIBED BY VIRGINIA)	
CODE ANN. § 45.1-361.17(A)(2))	
LEGAL DESCRIPTION:)	
)	
WELL NUMBER V-4043)	
HAGAN ESTATES TRACT 49)	
WISE QUADRANGLE)	
GLADEVILLE MAGISTERIAL DISTRICT)	
WISE COUNTY, VIRGINIA)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on July 17, 2001, Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: James E. Kaiser of Wilhoit & Kaiser, appeared for the Applicant, and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Notice and Jurisdiction: The Board finds that it has jurisdiction over the subject matter. The Board also finds that the Applicant has exercised due diligence to locate and provide notice to all persons entitled to notice of this proceeding.
4. Relief Requested: Applicant requests an exception to the statewide spacing requirements set forth in Va. Code § 45.1-361.17 for Well Number V-4043 for Applicant's development and operation of Conventional Gas from the Mississippian and Devonian Age formations including, but not limited to the Base Lee Sands, Ravencliff, Maxon, Little Lime, Big Lime, Top Weir, Base Weir, Sunbury, Coffee Shale, Berea, Cleveland, Upper Huron, Middle Huron, Lower Huron and Olentangy

formations, from surface to total depth drilled of 5,215 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-4043 2,186.00 feet from existing EPC Well Number V-4044 and 2,222.7 feet from existing EPC Well V-4041, all at the locations depicted on Exhibit A hereto.

5. Amendment: None

6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds that:

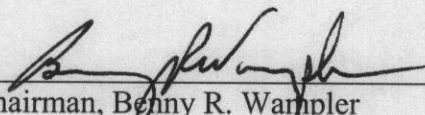
- (1) The surface owner, the U. S. Forest Service, and the Applicant have agreed to the location for the Well depicted on the plat attached hereto as Exhibit A as being a location that will have minimum environmental impacts as revealed through an environmental assessment and archeological survey done by said surface owner, and that will not significantly interfere with said owner's surface uses or potential archeological uses, including potential archeological site(s) within the Jefferson National Forest.
- (2) The proposed Well V-4043 is located on a coal, oil and gas tract consisting of 151.94 acres, known as Hagan Estates Tract 49, and the coal, gas and oil owner has consented to the proposed location for Well V-4043 depicted on the Plat attached hereto as Exhibit A.
- (3) The Applicant represents it has the right to operate and develop the reciprocal Wells V-4041 and V-4044, and that the granting of the application does not impact the correlative rights of any person.
- (4) An expert witness testified that the requested location exception is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying the drilling unit, and that granting of the location exception was in the best interest of preventing the waste of 400 mmcf in conventional gas reserves, protecting correlative rights and maximizing recovery of Conventional Gas underlying Subject Drilling Unit to be served by Well V-4043.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the Applicant to permit and drill Well Number V-4043 2,186.00 feet from existing EPC Well V-4044 and 2,222.7 feet from existing EPC Well V-4041, all at the locations depicted on Exhibit A hereto.

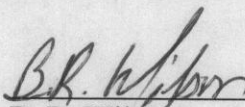
8. Findings: That the well location exception is needed in order to prevent the waste of 400 mmcf of Conventional Gas reserves, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

9. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 10th day of August, 2001 by a majority of the Virginia Gas and Oil Board.

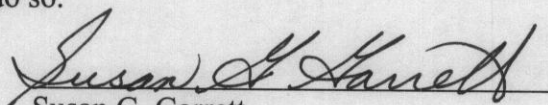

Chairman, Benny R. Wampler

DONE AND PERFORMED this 13th day of August, 2001, by order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

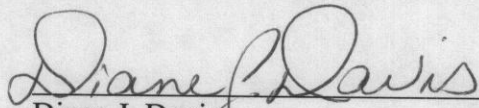
Acknowledged on this 18th day of August, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn, did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

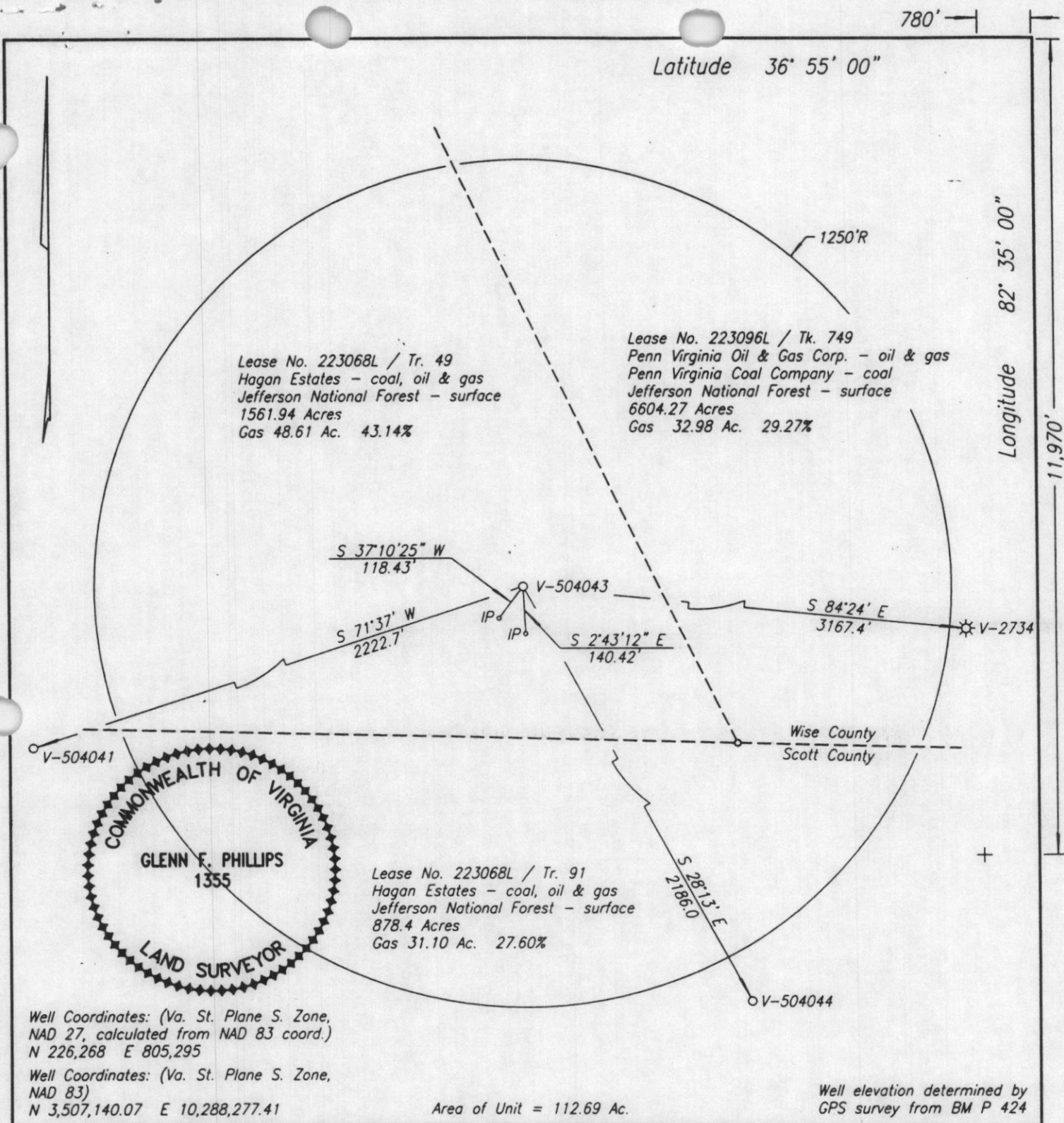
My commission expires: July 31, 2002

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)
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Acknowledged on this 13th day of August, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn, did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: September 30, 2001



WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-504043
TRACT NO. 49 ELEVATION 3364.04' QUADRANGLE Wise
COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 6-13-2001
This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Glenn F. Phillips

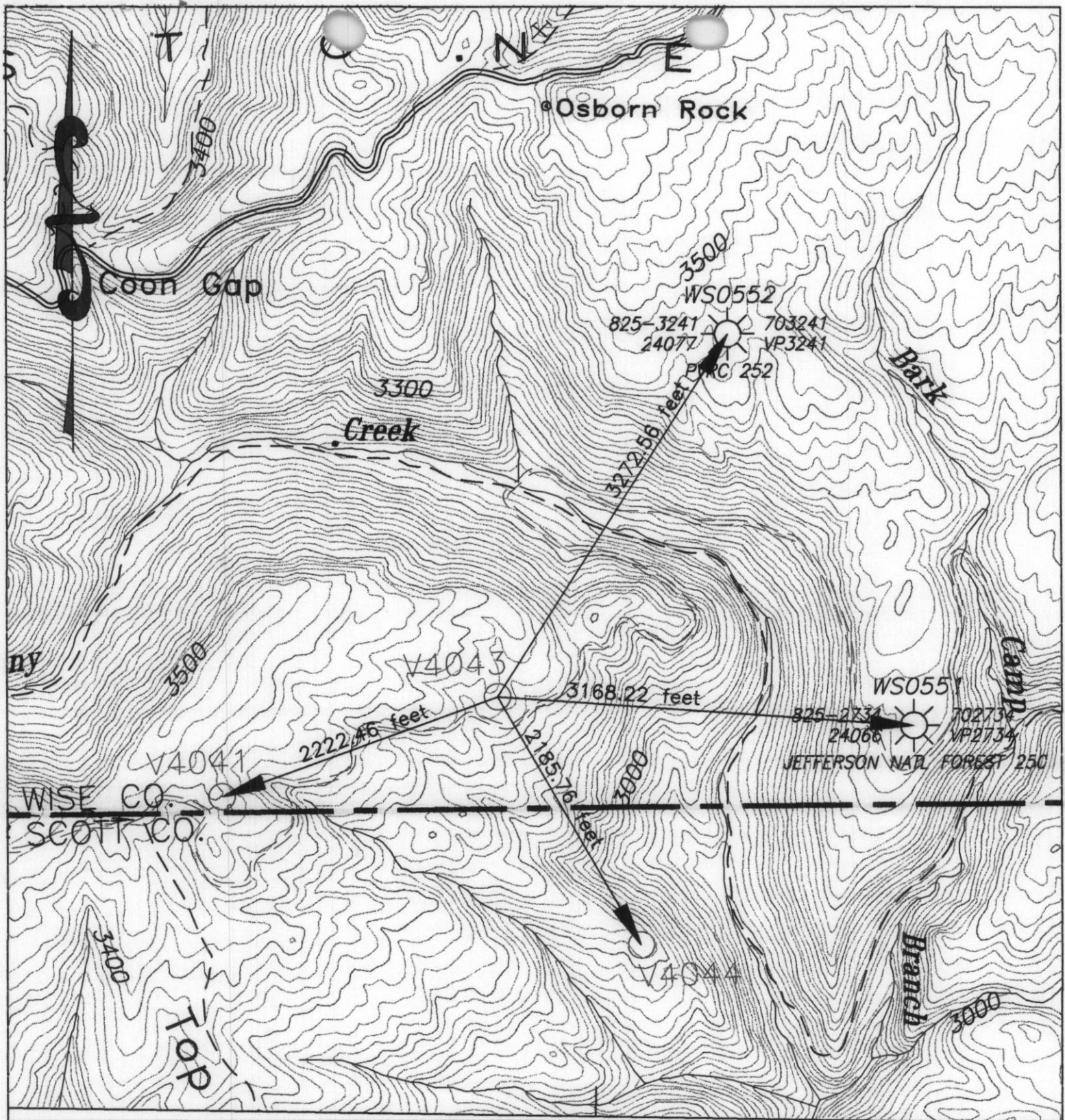
Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT B
V-504043

Penn Virginia Coal Corp.
P.O. Box 386
Duffield, VA 24244-0386
Attn: Keith Horton

The Hagan Estates, Incorporated
314 West Main Street
P.O. Box 675
Tazewell, VA 24651-0675
Attn: George Williams

Penn Virginia Oil & Gas Corp.
P.O. Box 387
Duffield, VA 24244-0387
Attn: James T. Harsha



EQUITABLE PRODUCTION Company

Cloverleaf Square
Building G
Big Stone Gap, Va 24219
(540) 523-5003

EXHIBIT V-4043

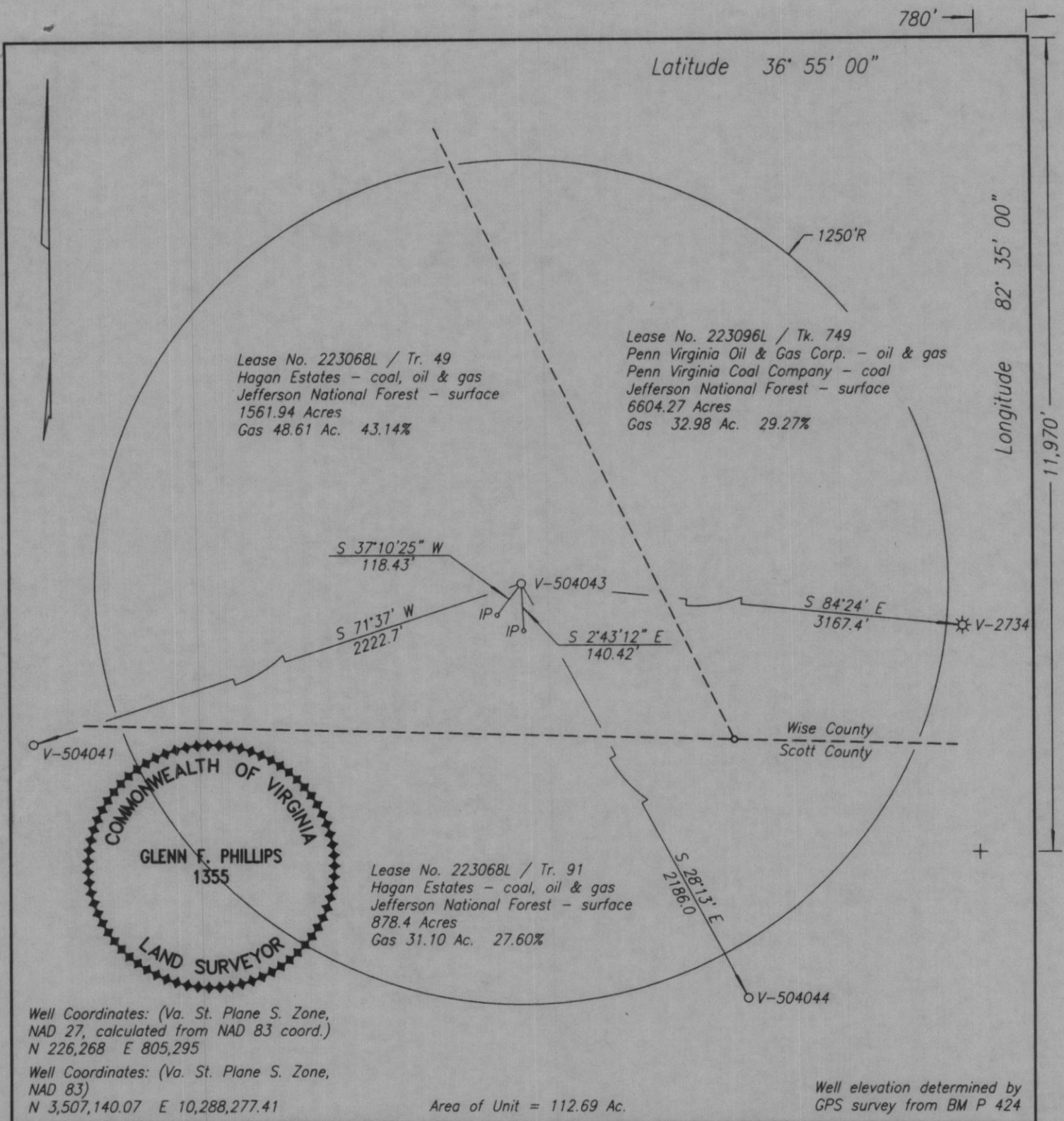
WISE VA 7.5' QUADRANGLE
GLADEVILLE DISTRICT
WISE COUNTY, VA
SCALE: 1"= 1000'

SURVEYED BY: G. PHILLIPS

DRAFTED BY: R. COLLINS

DATE: 7/12/2001

DRAWING: V4043EX.DWG



WELL LOCATION PLAT

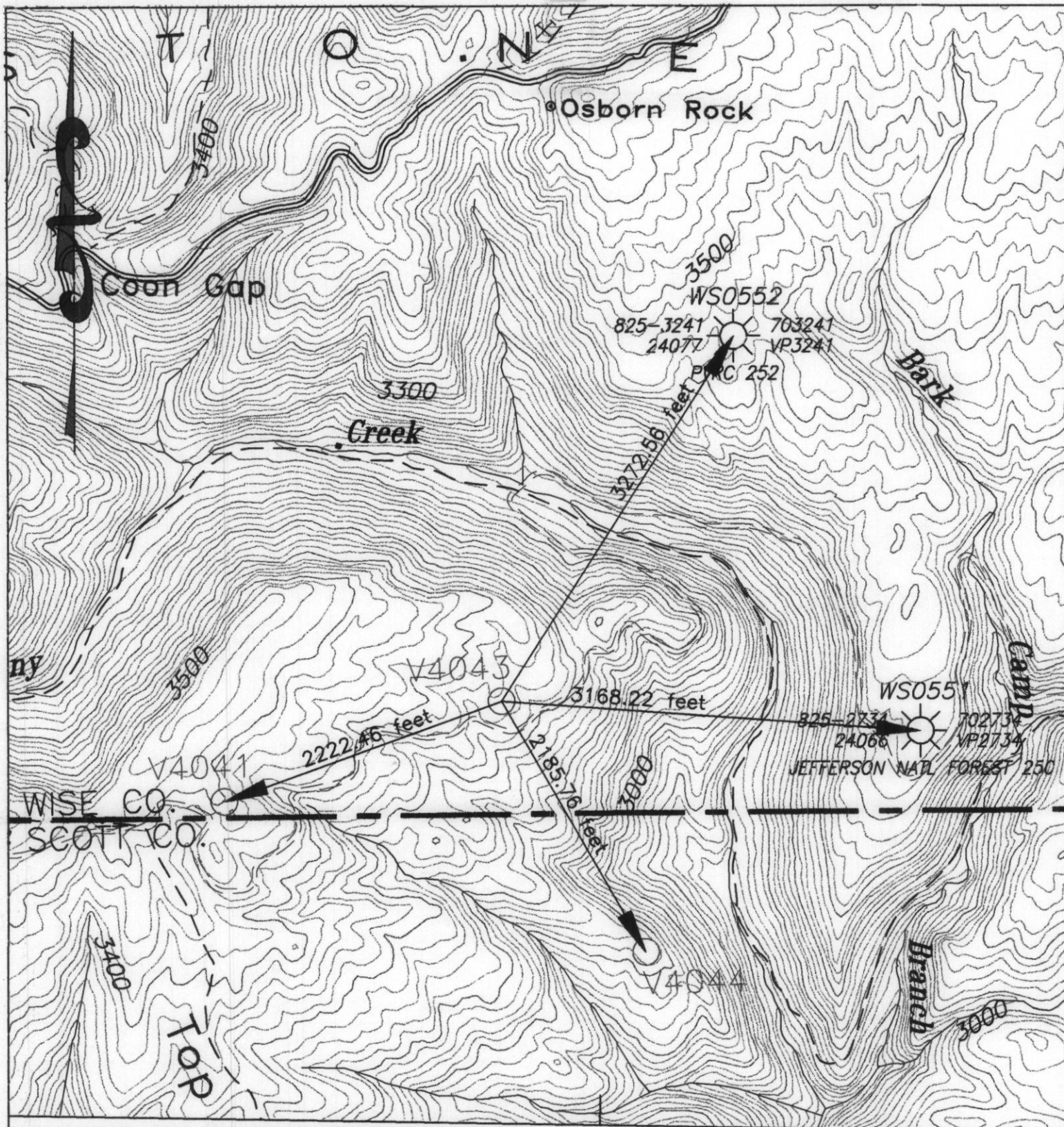
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Glenn F. Phillips

~~Licensed Professional Engineer~~ or Licensed Land Surveyor



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Cloverleaf Square
Building G
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